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it would actually provide for the whole population. Nor is there any proof given that after the scheme was well started there would not again arise those who would be dissatisfied with such an equality of all mankind and begin to look for means of advancing themselves beyond their fellows, thus raising again the whole question which the author attempts to settle. We suspect, moreover, that a more intimate study of economic history would show the author that some of these evils are not quite so recent as he seems to believe and that there were some evils of even "the good old days" which are now done away with. Reforms of this sort may require the enthusiastic idealism of our author if they are to be started, but they also require a sound basis in economics if they are to succeed.

Government Ownership of Railways. By ANTHONY VAN WAGENEN.
New York: Putnam, 1910. 8vo, pp. ix+256. \$1.25.

In view of a ubiquitous agitation nowadays for the popular control of public utilities, it is perhaps not overbold nor, indeed, improper for anyone to make a plea for the ownership of railways by the government. To make such a plea is the avowed object of this book. It is, however, a matter of regret that an otherwise suggestive and serious piece of work, such as this, is entirely robbed of its scientific as well as instructive value for the student of economics because of the extreme partisan spirit which marks its treatment. The author should have taken pains not to lay himself open to the charge of partisanship of which he accuses others (p. 176).

The burden of the argument rests, for the most part, upon the doubtful postulate *quid ubique, quid ab omnibus, creditur, credendum est*. The railways in most of the countries of the civilized world are owned and operated successfully by the government. If it has proved successful elsewhere, it must prove successful in this country. It is needless to point out the logical fallacy in such an argument which ignores differences in the character and extent of railways of this and other countries as well as differences in the conditions under which they operate. The chief reason, however, adduced by the author to show why the government should own and operate the railways is that the railways under private ownership have not been able to keep pace with the progress of the country (pp. 70 ff.). The railway service is poor under private ownership because profit is the guiding motive in the enterprise; service will improve under government ownership because, as we are a self-governing nation, whatever the government may do with the railways it will be with a view to public good (p. 34). The logical inference here is hard to see. At best it cannot be more than a presumption when it is not even proven that in those countries where government control obtains the railway service is superior to that in this country.

The author entertains no doubt as to the ability of the American public to operate the railways. The American people are unsurpassedly honest and

intelligent (pp. 100, 238). But it requires a considerable straining of the point to reconcile this statement with another (p. 165), in which we are given to understand that this same honest and intelligent public is robbed of millions of dollars annually by the railway companies.

Granting the expediency of government ownership of railways, there is a difficulty which the author seems to have overlooked. The oversight, whether intended or not, leaves the reader in the lurch as to the method by which the government may come into possession of the railways. It is suggested that the government may purchase the railways, but on what basis of valuation we are not told.

Die geschichtliche Entwicklung des Zinsfusses in Deutschland von 1895 bis 1908. By DR. HERMANN ALBERT. Leipzig: Duncker u. Humblot, 1910. 8vo, pp. xii+211. M. 5. 50.

The present volume is an elaboration of an earlier essay for which the author was awarded the first prize in the University of Strassburg.

The first part of the book is taken up with a brief account of the theoretical grounds on which the main thesis is based. There is as little novelty about the theoretical grounds advanced, as there is about the manner of stating them. It is stated in definite terms that the problem of interest is one of price and like all problems of price its solution depends on an analysis of supply and demand—in this particular case, the supply and demand for loan-capital (*Geldleihkapital*). The supply of and demand for loan-capital and therefore the rate of interest in a given money market depends upon the rate of earnings or profit (*Gewinnquote*), the international rate of interest, and the elasticity of the media of exchange. It must be observed that the distinction between the rate of profit and the rate of interest presupposes a differentiation of capital into loan and production capital (*Geldleihkapital* and *Produktionkapital*). This distinction is of vital moment. Since the rate of interest is shown to be a reflex of the rate of profit, the rate of profit comes to be the most influential factor in the gradual development of the rate of interest (p. 5). This, however, amounts to nothing more than pushing the query a step farther back, and we are again face to face with a similar problem—what determines the rate of profit?

In the second part of the book, which is given over to a statistical verification of the theories previously advanced, the author meets this question by observing that the rate of profit depends on the size (*Grössengestaltung*) and the producing capacity (*Leistungsfähigkeit*) of the industry; on the monopoly of the industry; and on the technological improvements (pp. 53 ff.). This explanation again falls short of adequacy, for we are still at a loss to know why the rate of profit in the one case, or the rate of interest in the other is what it is. In so far then as this is true, the author has merely succeeded in evading the main question at issue.

The development of the rate of interest is a question which cannot be solved